GREATER LOCKPORT DEVELOPMENT CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2019

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December 31, 2019

Lumsden McCormick LLP
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Greater Lockport Development Corporation

We have audited the accompanying consolidated balance sheets of Greater Lockport Development Corporation (the Corporation), a nonprofit organization, as of December 31, 2019 and 2018, and the related consolidated statements of activities, expenses by nature and function, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Additional Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying additional information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2020 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Lumsden & McCormick, LLP

March 19, 2020

Consolidated Balance Sheets

December 31,	2019	2018
Assets		
Cash	$ 822,314	$ 725,210
Grants, interest, and other receivables	152,504	306,232
Prepaid expenses and other	30,520	31,977
Loan receivable (Note 2)	-	26,788
Property, net (Note 3)	5,600,106	5,655,688
	$ 6,605,444	$ 6,745,895
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 34,277	$ 27,179
Deferred revenue	222,397	160,000
Security deposits	64,749	63,726
Long-term debt (Note 5)	3,500,863	3,644,582
	3,822,286	3,895,487
Net assets:		
With donor restrictions	120,000	20,000
Without donor restrictions	2,663,158	2,830,408
	2,783,158	2,850,408
	$ 6,605,444	$ 6,745,895

See accompanying notes.

Consolidated Statements of Activities

For the years ended December 31,	2019	2018
Changes in net assets without donor restrictions:		
Revenues and other support:		
Rental and occupancy income	$ 892,445	$ 886,091
Contributions and grants	318,737	601,514
Interest from loans	804	1,994
Other income and fees	28,790	26,779
Net assets released from restrictions	-	14,000
Total revenues and other support	1,240,776	1,530,378
Expenses:		
Program:		
Economic development and revitalization	304,773	400,980
Rental operations	992,455	961,892
General and administrative	110,798	112,645
Total expenses	1,408,026	1,475,517
Change in net assets without donor restrictions	(167,250)	54,861
Changes in net assets with donor restrictions:		
Contributions	100,000	-
Net assets released from restrictions	-	(14,000)
Change in net assets with donor restrictions	100,000	(14,000)
Change in net assets	(67,250)	40,861
Net assets - beginning	2,850,408	2,809,547
Net assets - ending	$ 2,783,158	$ 2,850,408

See accompanying notes.

Consolidated Statement of Expenses by Nature and Function

For the year ended December 31, 2019

	Programs			
	Economic Development and Revitalization	Rental Operations	Management and General	Total
Employee wages and benefits	$ 64,837	$ 159,898	$ 7,204	$ 231,939
Grants	157,958	-	-	157,958
Property management	18,505	141,520	40,300	200,325
Repairs and maintenance	22,191	61,098	-	83,289
Property taxes	14,708	35,606	-	50,314
Insurance	-	38,355	6,259	44,614
Commissions	-	29,212	-	29,212
Professional fees	15,993	-	27,204	43,197
Marketing and advertising	-	-	8,325	8,325
Events	5,762	-	-	5,762
Interest	-	139,330	-	139,330
Depreciation	2,000	387,436	-	389,436
Other expenses	2,819	-	21,506	24,325
	$ 304,773	$ 992,455	$ 110,798	$ 1,408,026

See accompanying notes.

Consolidated Statement of Expenses by Nature and Function

For the year ended December 31, 2018

	Programs: Economic Development and Revitalization	Programs: Rental Operations	Management and General	Total
Employee wages and benefits	$ 52,192	$ 114,701	$ 5,799	$ 172,692
Grants	244,423	-	-	244,423
Property management	29,545	159,204	39,368	228,117
Repairs and maintenance	20,877	75,549	-	96,426
Property taxes	12,169	34,481	-	46,650
Insurance	-	36,442	4,885	41,327
Commissions	-	28,280	-	28,280
Professional fees	30,898	-	29,020	59,918
Marketing and advertising	-	-	21,632	21,632
Events	8,750	-	-	8,750
Interest	-	144,771	-	144,771
Depreciation	2,000	367,196	-	369,196
Other expenses	126	1,268	11,941	13,335
	$ 400,980	$ 961,892	$ 112,645	$ 1,475,517

See accompanying notes.

Consolidated Statements of Cash Flows

For the years ended December 31,		**2019**		2018
Operating activities:				
Change in net assets	**$**	**(67,250)**	$	40,861
Adjustments to reconcile change in net assets to net cash flows from operating activities:				
Depreciation		**389,436**		369,196
Changes in other assets and liabilities:				
Grants, interest, and other receivables		**153,728**		(139,294)
Prepaid expenses and other		**1,457**		(2,337)
Accounts payable and accrued expenses		**7,098**		(57,698)
Deferred revenue		**62,397**		136,550
Security deposits		**1,023**		(810)
Net operating activities		**547,889**		346,468
Investing activities:				
Property expenditures		**(333,854)**		(628,170)
Payments received on loan receivable		**26,788**		23,448
Net investing activities		**(307,066)**		(604,722)
Financing activities:				
Payments on long-term debt		**(143,719)**		(138,278)
Change in cash		**97,104**		(396,532)
Cash - beginning		**725,210**		1,121,742
Cash - ending	**$**	**822,314**	$	725,210

See accompanying notes.

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies:

Organization

Greater Lockport Development Corporation (the Corporation) is a not-for-profit organization and the financial statements include its related but separate entities, 210 Walnut Street, LLC (210 Walnut) and Lockport Locks Heritage District Corporation (Lockport Locks). The Corporation is the sole member of 210 Walnut, which was formed to own and manage industrial rental property acquired by the Corporation through foreclosure proceedings. Lockport Locks is a not-for-profit entity established to attract investment and stimulate the economic revitalization of Lockport's Erie Canal Corridor.

The principal purpose is to aid the efforts of the Economic Development Program of the City of Lockport, New York (the City). The Corporation administers loan programs to create favorable conditions for City enterprises to expand or locate businesses engaged in the manufacturing, assembling, wholesaling, or retailing of goods or services. Further, it provides for the financing of capital improvements, equipment, or working capital, where such financing will assist in creating employment opportunities for persons of low and moderate income or assist in the elimination of slums and/or blight in the City.

The Corporation's funding was established through grants awarded by the United States Department of Housing and Urban Development (HUD), Urban Development Action Grant (UDAG), and Community Development Block Grant for Small Cities (CDBG) programs. The Corporation has the right to re-use principal repayments and interest income for the furtherance of its mission.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Corporation, 210 Walnut, and Lockport Locks. All significant inter-entity accounts and transactions have been eliminated.

Net Assets with Donor Restrictions

The Corporation is required to report information regarding financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Net assets with donor restrictions are those whose use has been limited by donors to a specific purpose. At December 31, 2019 and 2018, amounts arose from contributions restricted for property and equipment acquisitions.

Cash

Custodial credit risk is the risk that, in the event of a bank failure, the Corporation's deposits may not be returned to it. At December 31, 2019 and 2018, the Corporation's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging bank's agent in the Corporation's name.

Loans Receivable

Loans receivable are stated at the principal amount outstanding, net of an allowance for doubtful loans that includes loan forgiveness. The allowance method is used to compute the provision for doubtful loans.

The determination of the balance of the allowance for doubtful loans is based on an analysis of the loan portfolio and reflects an amount that, in management's judgment, is adequate to provide for potential loan losses after evaluating current economic conditions, historical collections, current collection efforts, and the financial condition of each loan recipient. Loans are charged off when, in management's judgment, no legal recourse is available to collect the amount owed.

Interest on loans receivable is accrued as required by the terms of the agreement; management considers that collection is probable based on the current economic condition of the borrower. Interest accrual stops when a loan becomes more than three months past due and does not commence again until the loan is current.

Grants

The entities periodically receive grants from State and local governments which contain various conditions. To the extent expenditures have been incurred and the conditions are met, grant revenue is recognized. Amounts received but not yet earned are reported as deferred revenue.

Included in grant expense for the years ended December 31, 2019 and 2018 are $98,000 and $97,000 of forgivable loans issued during the year. These loans are forgiven generally based on the business' length of operations in Lockport. Management expects all of these loans to be forgiven, or in the circumstances where repayment would be necessary, the loan would be fully reserved.

Loan Repayments

CDBG loan repayments (including interest thereon) are classified as income that is no longer restricted for program purposes and, accordingly, can be used by the Corporation to finance other eligible activities.

Functional Expense Allocation

The Corporation's costs of providing its services have been summarized on a functional basis in the accompanying consolidated statements of expenses by nature and function. Accordingly, a majority of costs are specifically identified and charged to the function to which they benefit with the remaining costs allocated based on employee time and effort.

Property

Property is stated at cost or fair value at date of donation, net of accumulated depreciation. Depreciation is computed by the straight-line method over estimated service lives. Maintenance and repairs are charged to operations as incurred; significant improvements are capitalized.

Certain property is known to contain asbestos. The Corporation is obligated to remediate the asbestos upon the related assets' retirement, disposal, or sale. The fair value of the liability cannot currently be estimated with reasonable certainty. Additionally, the property is expected to be maintained through repair and maintenance activities that would not involve the removal of the asbestos. The need for major renovations caused by technology changes, operational changes, or other factors has not been identified.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Income Taxes

The Corporation and Lockport Locks are 501(c)(3) organizations exempt from Federal income taxes under §501(a) of the Internal Revenue Code. 210 Walnut is organized as a limited liability corporation, with flow-through characteristics to the Corporation, its sole member.

Contributions

Contributions are recorded as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions whose stipulated purpose restriction is accomplished in the same reporting period as received are reported as an increase in net assets without donor restrictions.

Subsequent Events

Management has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 19, 2020 the date the financial statements were available to be issued.

2. Loans Receivable:

Loans are granted directly by the Corporation to local businesses to facilitate economic development in the City. One loan was outstanding which totaled $26,788 at December 31, 2018 and was repaid during 2019.

3. Property:

	2019	2018
Buildings and improvements	$ 8,136,772	$ 7,808,918
Less accumulated depreciation	2,536,666	2,153,230
	$ 5,600,106	$ 5,655,688

Buildings and improvements include a building and equipment that are not depreciated, purchased in 2014 as a result of foreclosure proceedings and held for sale. The amount is presented at estimated fair value at the acquisition date plus additions, which together totaled $241,091 and $239,341 at December 31, 2019 and 2018, respectively. In 2018, the Corporation purchased another property which it also intended to renovate and sell at a total cost of $109,498 and $104,298 as of December 31, 2019 and 2018, respectively. In 2019, the Corporation accepted offers to purchase both buildings and related equipment, with anticipated closing dates in 2020.

4. Short-Term Borrowings:

The Corporation has available a $25,000 bank demand line of credit with interest payable at prime plus 2.25% and has available a $175,000 working capital loan, with interest only payments for up to 12 months at prime plus 1.75%. The borrowings are secured by all assets of the Corporation. No amounts were outstanding at December 31, 2019.

5. Long-Term Debt:

	2019	2018
210 Walnut bank term loan with monthly payments of $21,334 including interest at 4.01% through October 2021, interest adjusted at the discretion of the lender thereafter, balloon payment of $2,114,488 due November 2026, guaranteed by the Corporation.	$ 3,116,372	$ 3,242,891
210 Walnut term loan through Niagara Economic Development Fund with monthly payments of $2,254 including interest at 2.5% through October 2026 with final balloon payment of $256,977 due November 2026, secured by a second security interest in 210 Walnut's assets.	384,491	401,691
	$ 3,500,863	$ 3,644,582

The bank loan agreement requires compliance with certain covenants.

Aggregate maturities of long-term debt subsequent to December 31, 2019 are:

2020	$ 136,560
2021	154,774
2022	160,894
2023	167,260
2024	173,590
Thereafter	2,707,785
	$ 3,500,863

6. Rental Income:

210 Walnut leases space, with a carrying value of $5,150,000, to various companies under the terms of non-cancellable operating leases. Rental income for 2019 and 2018, including month-to-month leases, was $892,445 and $886,091. Future minimum rental payments to be received subsequent to December 31, 2019 are:

2020	$ 674,915
2021	596,049
2022	512,028
2023	300,580
2024	20,950
	$ 2,104,522

7. Cash Flows Information:

Cash flows from operating activities reflect cash payments for interest of $139,330 in 2019 and $144,771 in 2018.

8. Financial Resources Available for Operations:

The Corporation obtains financial assets generally through government grants and rental income. The financial assets are acquired throughout the year to meet the Corporation's cash needs for general expenditures.

The Corporation's financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consist essentially of the following at December 31, 2019 and 2018:

	2019	2018
Cash	$ 822,314	$ 725,210
Grants, interest, and other receivables	152,504	306,232
Loan receivable	-	26,788
	$ 974,818	$ 1,058,230

9. Risks and Uncertainties:

On January 31, 2020, the United States Secretary of Health and Human Services (HHS) declared a public health emergency related to the global spread of coronavirus COVID-19, and a pandemic was declared by the World Health Organization in February 2020. Efforts to fight the widespread disease included limiting or closing many businesses and resulted in a severe disruption of operations for organizations. Financial markets also experienced a significant decline in value. The extent of the impact of COVID-19 on the Corporation's operational and financial performance will depend on further developments, including the duration and spread of the outbreak and its impact on customers, employees, and vendors, all of which cannot be predicted.

Additional Information
Consolidating Balance Sheet

December 31, 2019

	GLDC	210 Walnut	Lockport Locks	Eliminations	Consolidated
Assets					
Cash	$ 242,311	$ 207,618	$ 372,385	$ -	**$ 822,314**
Grants, interest, and other receivables	344,882	86,215	-	(278,593)	**152,504**
Prepaid expenses and other	6,102	23,371	1,047	-	**30,520**
Loan receivable	697,000	-	-	(697,000)	**-**
Property, net	350,569	4,969,537	280,000	-	**5,600,106**
	$ 1,640,864	$ 5,286,741	$ 653,432	$ (975,593)	**$ 6,605,444**
Liabilities and Net Assets					
Liabilities:					
Accounts payable and accrued expenses	$ 85,319	$ 206,466	$ 21,085	$ (278,593)	**$ 34,277**
Deferred revenue	-	9,095	213,302	-	**222,397**
Security deposits	-	64,749	-	-	**64,749**
Long-term debt	-	4,187,863	10,000	(697,000)	**3,500,863**
	85,319	4,468,173	244,387	(975,593)	**3,822,286**
Net assets:					
With donor restrictions	-	-	120,000	-	**120,000**
Without donor restrictions	1,555,545	818,568	289,045	-	**2,663,158**
	1,555,545	818,568	409,045	-	**2,783,158**
	$ 1,640,864	$ 5,286,741	$ 653,432	$ (975,593)	**$ 6,605,444**

Additional Information
Consolidating Statement of Activities

For the year ended December 31, 2019

	GLDC	210 Walnut	Lockport Locks	Eliminations	Consolidated
Changes in net assets without donor restrictions:					
Revenues and other support:					
Rental and occupancy income	$ -	$ 892,445	$ -	$ -	**$ 892,445**
Contributions and grants	133,131	29,209	185,606	(29,209)	**318,737**
Interest from loans	28,684	-	-	(27,880)	**804**
Other income and fees	754	15,586	12,450	-	**28,790**
Total revenues and other support	162,569	937,240	198,056	(57,089)	**1,240,776**
Expenses:					
Program:					
Economic development and revitalization	273,521	-	60,861	(29,609)	**304,773**
Rental operations	-	1,019,935	-	(27,480)	**992,455**
General and administrative	51,892	51,319	7,587	-	**110,798**
Total expenses	325,413	1,071,254	68,448	(57,089)	**1,408,026**
Change in net assets without donor restrictions	(162,844)	(134,014)	129,608	-	**(167,250)**
Change in net assets with donor restrictions:					
Contributions	-	-	100,000	-	**100,000**
Change in net assets	(162,844)	(134,014)	229,608	-	**(67,250)**
Net assets - beginning	1,718,389	952,582	179,437	-	**2,850,408**
Net assets - ending	$ 1,555,545	$ 818,568	$ 409,045	$ -	**$ 2,783,158**

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Greater Lockport Development Corporation

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated balance sheet of Greater Lockport Development Corporation (the Corporation), a nonprofit organization, as of December 31, 2019, and the related consolidated statements of activities, expenses by nature and function, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 19, 2020March 19, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, as described below, that we consider to be a significant deficiency.

Segregation of Duties

Because of the small number of staff at the Corporation, it is difficult to achieve an ideal segregation of duties. The risk that material errors, whether intentional or unintentional, may occur and go undetected is inherent given the small staff size.

We encourage the Board to remain committed to its involvement in the financial operations of the Corporation by thoroughly reviewing monthly financial data, requesting support for all payments when checks are signed, asking questions about unusual transactions, reviewing monthly reconciliations for all major balance sheet accounts, and routing the monthly statements for all bank accounts to the Board Treasurer for review before giving them to the person responsible for the reconciliation process.

Management's Response: The Board will continue to provide oversight and review and approve financial activity to reduce the risk caused by its small staff.

The Corporation's Response to Findings

The Corporation's response to the finding identified in our audit as included above was not subject to the auditing procedures applied in the audit of the financial statements. and, accordingly, we express no opinion on it.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lumsden & McCormick, LLP

March 19, 2020

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

The Board of Directors
Greater Lockport Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of Greater Lockport Development Corporation (the Corporation), a nonprofit organization, as of December 31, 2019, and the related consolidated statements of activities, expenses by nature and function, and cash flows for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated March 19, 2020March 19, 2020.

In connection with our audit, nothing came to our attention that caused us to believe that the Corporation failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2019. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Corporation's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.

Lumsden & McCormick, LLP

March 19, 2020